



# New Hampshire Insurance Department



**Mental Health  
Parity Examinations**



**Exam Period  
January 2016 – July 2017**

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# Presentation Agenda

- Market conduct exams - general
- Mental health parity law
- Public and policymaker concerns
- NHID mental health parity exam & findings
- Next steps

# What is a Market Conduct Exam?

- An exam by regulators looking at a company's practices in the marketplace
- The exam process is controlled by statute with specific timeframes and opportunities for the company to review and comment on findings
- Company typically pays exam costs

# What is Parity?

- Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA or Parity Act)
- Requires parity in coverage between Mental Health/Substance Use Disorder (MH/SUD) and medical/surgical (M/S) benefits

# Quantitative Treatment Limits

- Higher cost sharing, or quantitative limits on care
- Easier to enforce, including during form review
- Examples:
  - Higher copayments, deductibles, or coinsurance for MH/SUD outpatient visits
  - Number of office visits or days of coverage

# Non-Quantitative Treatment Limits

- Any limitation on the scope or duration of benefits for treatment
- Can be more challenging to interpret and enforce legal requirements
- Examples:
  - Prior authorization
  - Step therapy
  - Network access
  - Proof of medical necessity

# NHID Exams

- Carriers:
  - Anthem
  - Ambetter by NH Healthy Families
  - Harvard Pilgrim
- Exam funded by a federal grant
- Carriers sell individual plans on HealthCare.gov
- Exam was not limited to individual market products

# NHID Exam Focus

- Operations and management
- Benefit design and classifications
- Medical management standards
- Grievance and appeals processes
- Claims handling practices
- Provider reimbursement practices

# Exam Timeline

- Declared in December 2017
- Examiners reviewed claims from January 2016 to July 2017
- Completed in May 2019
- Insurance laws prescribe timeframes for exchange of information and dialog

# Why Now?

- Public and policymaker concerns about coverage and access
  - Perception of limited insurance coverage and low provider reimbursement leading to an underfunded provider system
- Common complaints from mental health care providers about payment
- NH law requires parity exams
  - Must be made public
  - Provider reimbursement is an area of emphasis

# Federal and State Changes

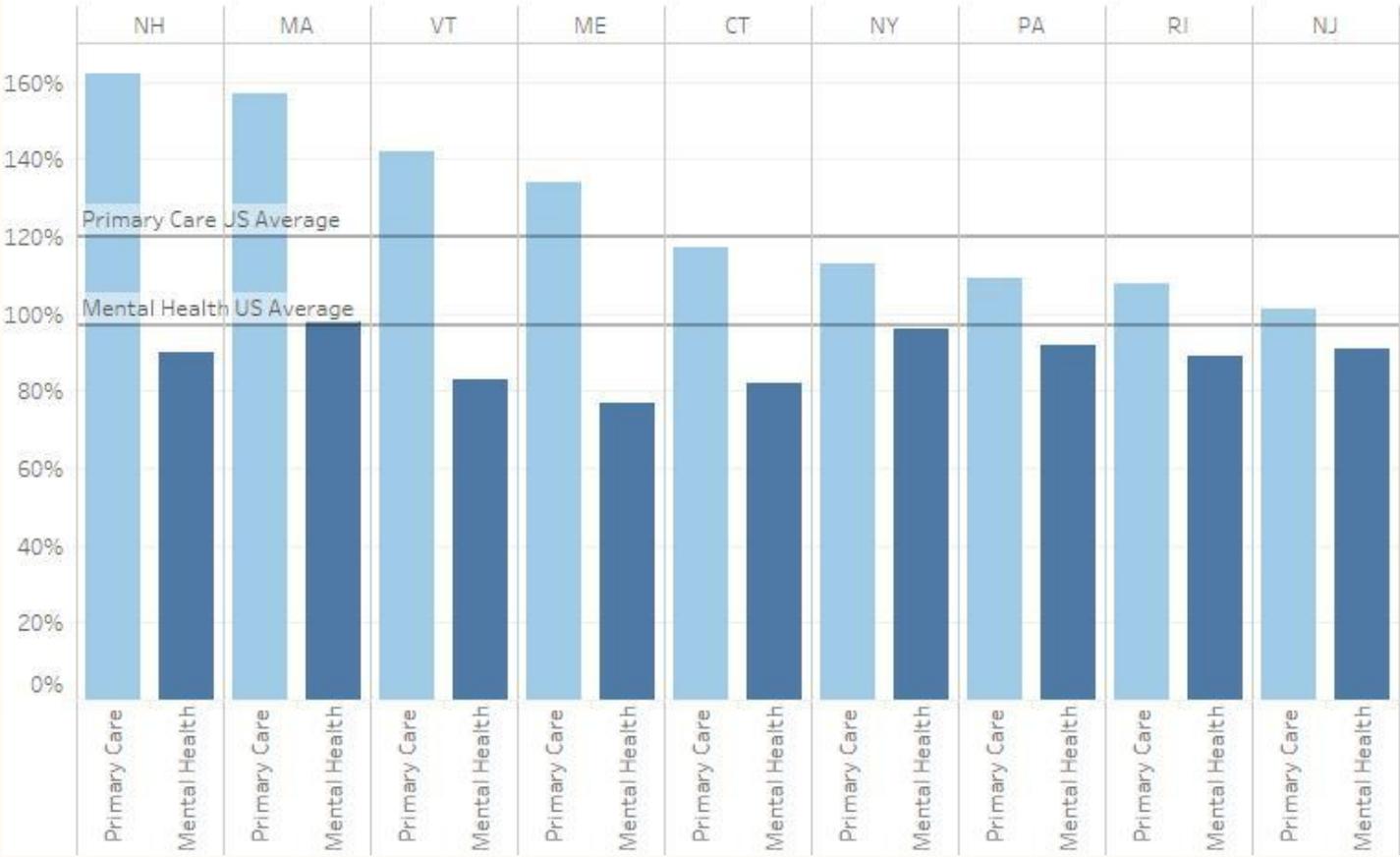
- Parity requirements expanded
  - ACA
  - New state authority to enforce federal laws
  - State specific MH/SUD laws
- Additional federal guidance and focus on “standards for provider admission to participate in a network, including reimbursement rates”

# Public Information

- Milliman reports ([2017](#) & [2019](#))
  - Substantial disparity in reimbursement rates between mental health and primary care
- [Analysis of New Hampshire Commercial Insurance Claim Data Related to Substance Use Disorder: Reimbursement Rates \(2016\)](#)

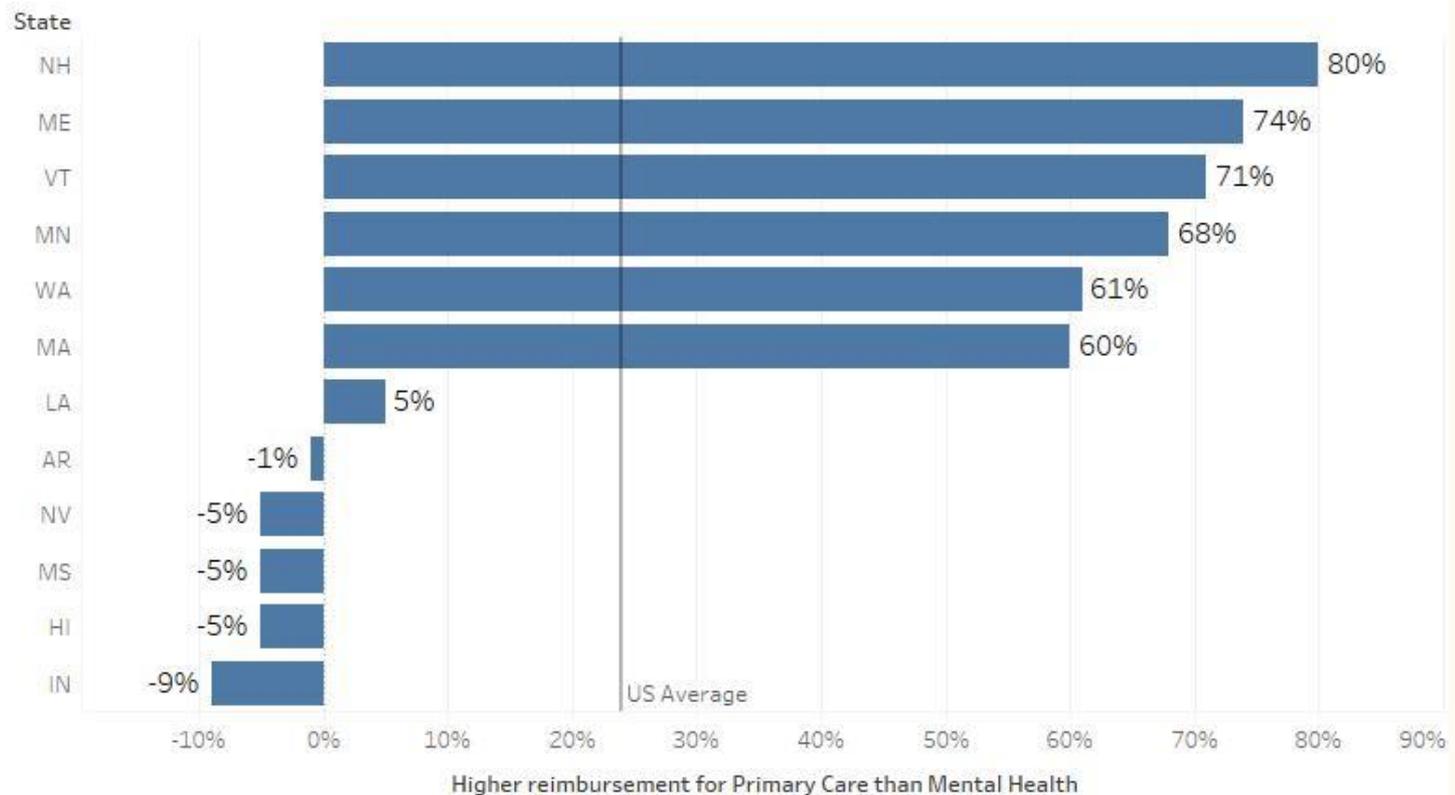
# Northeast Comparison

Reimbursement Relative to Medicare Allowed Amount In North East



# Comparison of High-Low

Higher Reimbursement for Primary Care than Mental Health relative to Medicare (In Network)



# MHPAEA - Provider Reimbursement

- Processes, strategies, evidentiary standards, or other factors used to set provider reimbursement rates for MH/SUD services must be comparable to, and applied no more stringently than, the factors used in applying the same limitation to M/S services
- Under MHPAEA regulations, a large difference in outcomes, while not determinative, constitutes a strong indicator of potential non-compliance

# Provider Reimbursement Practices

- NH is well positioned to evaluate reimbursement levels through the NH Comprehensive Health Information System (NHCHIS)
- BerryDunn was hired to assist the Department by analyzing the NHCHIS and reviewing provider reimbursement practices

# BerryDunn Analysis

- Compare professional reimbursement in the NHCHIS to Medicare and the Resource-Based Relative Value Scale (RBRVS)
  - Using RBRVS, each service has 3 components
    - Work
    - Practice expense
    - Professional liability insurance
- Work =
  - time it takes to perform service
  - technical skill and physical effort
  - required mental effort and judgement
  - stress due to patient risk

# Medicare & RBRVS

- Medicare payment rates are developed using a highly detailed scientific process that is consistent across all services and provider specialties
- The Medicare relative value system meets MHPAEA's comparability requirement and would provide evidence of compliance

# BerryDunn Responsibilities

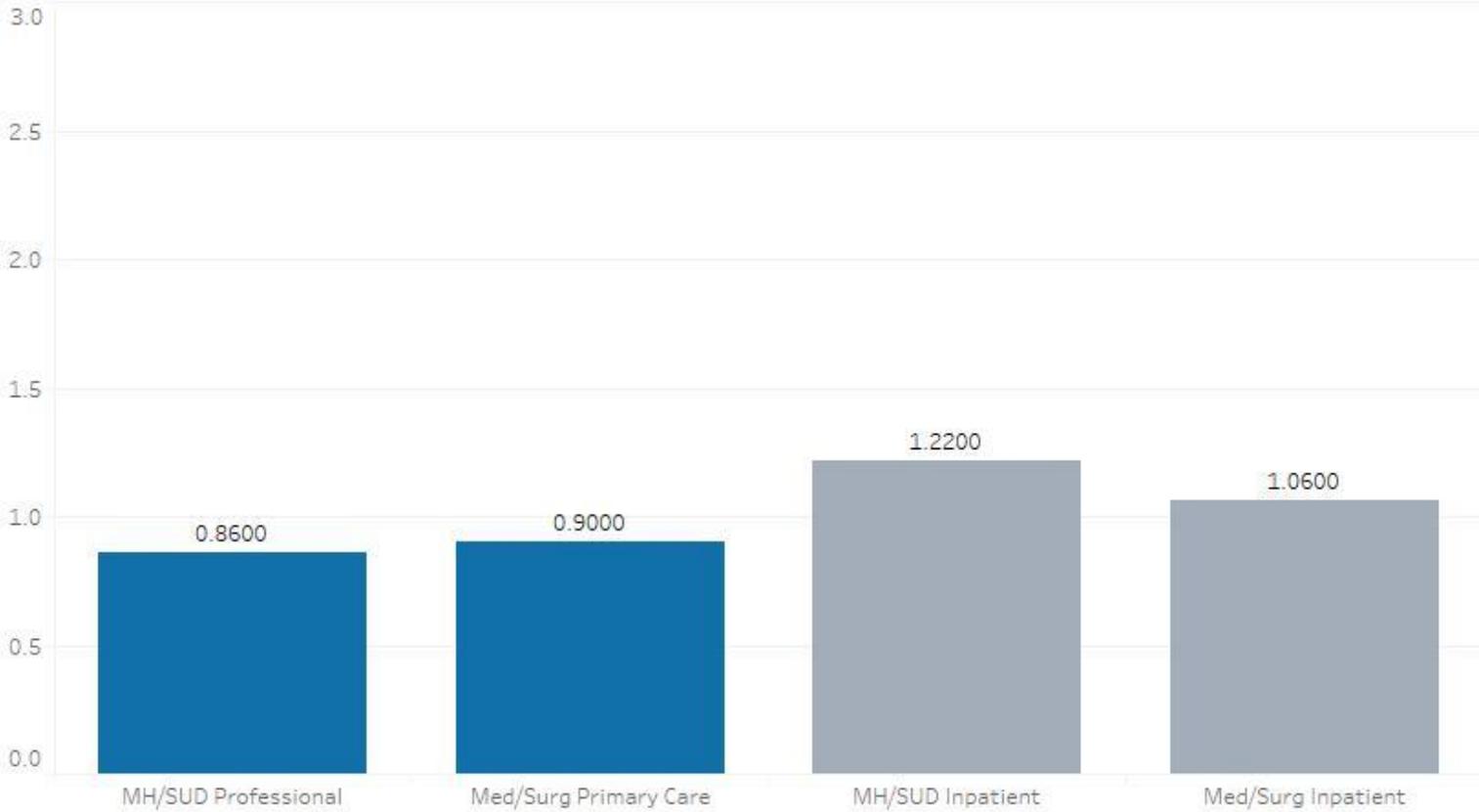
- Compare ratios of companies' provider reimbursement to Medicare rates for the same services
- Review the companies' provider reimbursement policies and procedures
- Evaluate responses to written questions and document requests

# Results - Ambetter

- Ambetter's findings related to claims handling practices, not reimbursement
- Areas of review with exceptions:
  - Discriminatory benefit design
  - Network design
  - Grievances and appeals
  - Claims
  - Prior Authorization for MAT/SUD drugs
- Future exam on claims handling practices

# Ambetter

Ambetter's weighted average commercial-to-Medicare reimbursement ratios

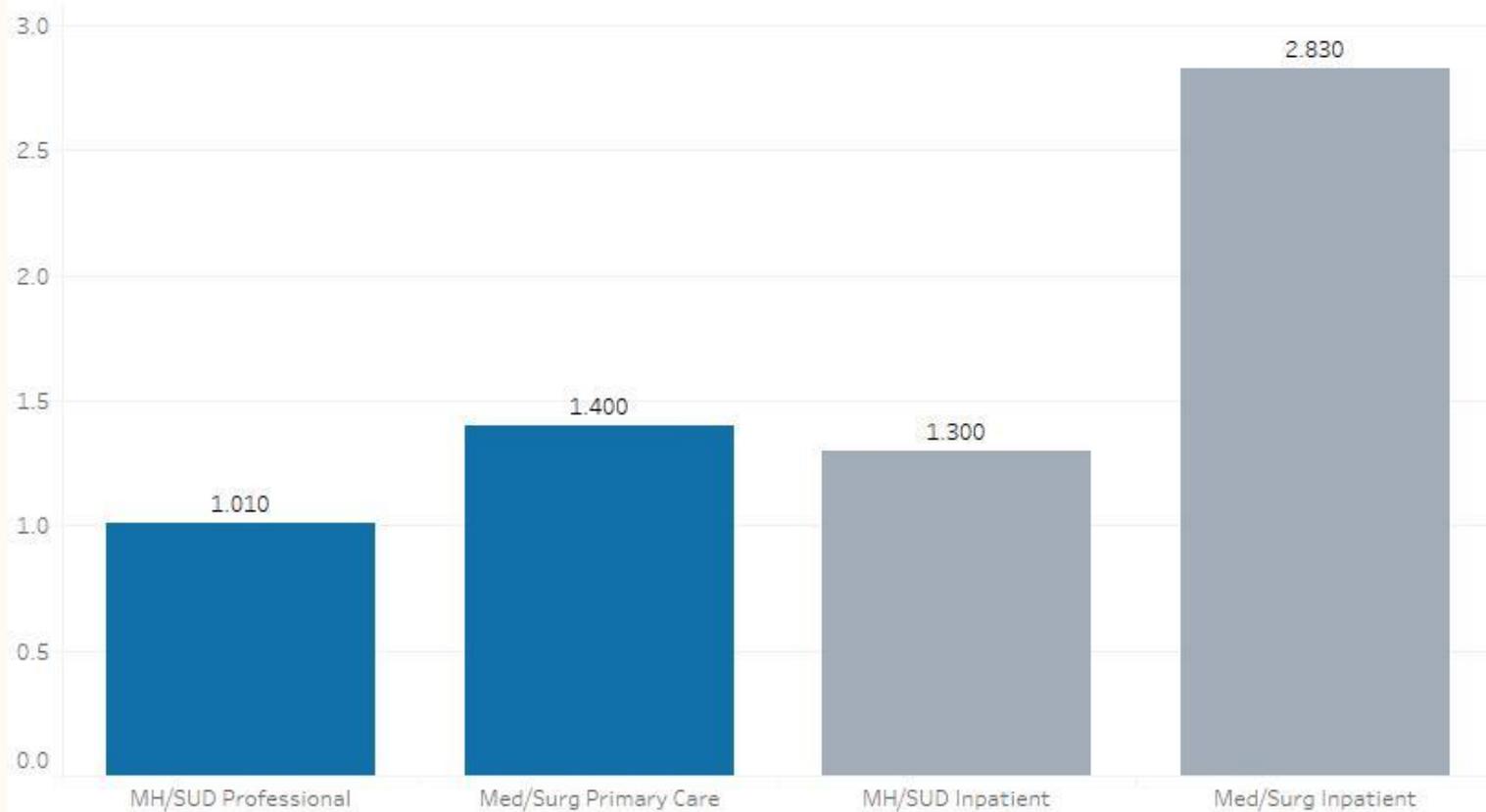


# Results - HPHC

- Areas of review with exceptions:
  - Medical management standards
  - Step therapy protocols
  - Claims
  - Provider reimbursement practices
- Harvard Pilgrim was deemed to be in compliance with all other areas of review

# Harvard Pilgrim

Harvard Pilgrim's weighted average commercial-to-Medicare reimbursement ratios



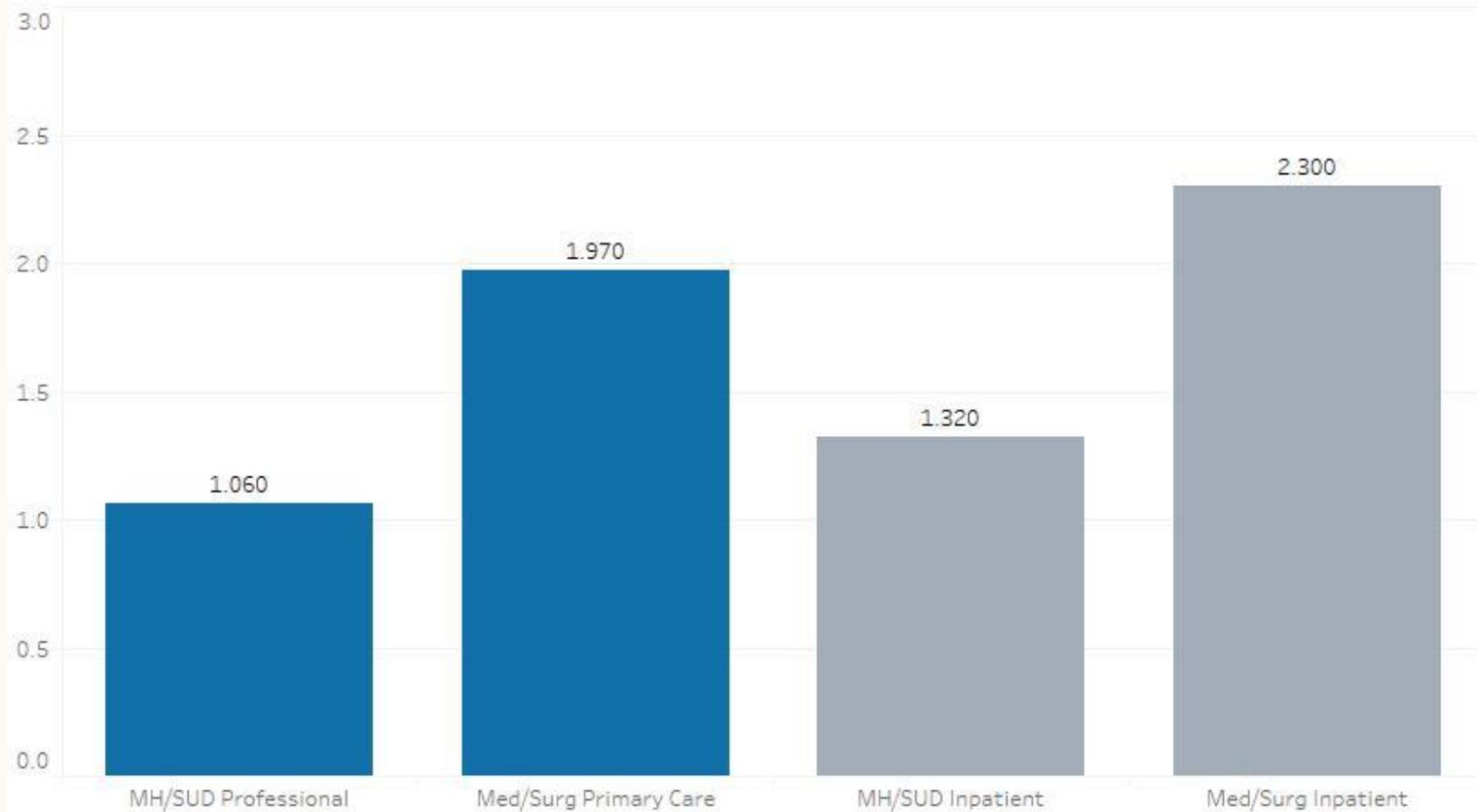
Source: BerryDunn Health Analytics Practice Area, "Market Conduct Exams Provider Reimbursement Strategy Analysis Behavioral Health Parity," 2019

# Results - Anthem

- Areas of review with exceptions:
  - Grievances and appeals
  - Claims
  - Prior Authorization for MAT/SUD drugs
  - Provider reimbursement practices
- Anthem was deemed in compliance with all other areas of review

# Anthem

Anthem's weighted average commercial-to-Medicare reimbursement ratios



# Conclusion

- The Department found that Anthem and Harvard Pilgrim did not provide sufficient information to demonstrate that they meet the comparability requirement

# Exam Documents

- Public documents
  - Exam reports with BerryDunn Analysis
  - Agreements and orders
- Confidential
  - Compliance Assurance Plans (CAP)
  - 2-year monitoring and reporting

# CAP Includes

- A written, analytic framework, describing provider reimbursement practices
  - Must be sufficiently detailed to demonstrate comparability of its provider reimbursement practices
- A framework to re-evaluate MH/SUD fee schedules
- Implementation of an array of initiatives to improve MH/SUD provider networks

# Compliance Assurance Plans

- Two year monitoring period
- After:
  - If compliant, the Department will issue an updated report
  - If noncompliant, Department will begin a follow up examination

# Where Do We Go From Here?

- State law requires the Department to do parity exams
- The Department will examine other health insurance companies
- Further direction from new Insurance Commissioner

# Consumer Services Division

Consumer Services can investigate complaints and assist with the appeals process

21 S. Fruit Street, Suite 14

Concord, NH 03301

Toll Free: 1-800-852-3416

TTY/TDD: 1-800-735-2964

Email: [ConsumerServices@ins.nh.gov](mailto:ConsumerServices@ins.nh.gov)

# Thank You



## Contact Information

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